Approval of foreign car manufacturers projects in India

683. SHRI GHUFRAN AZAM: Will the PRIME MINISTER pe pleased to state:

(a) the names and details of foreign automobile/car manufacturing companies with Indian entrepreneurs who have sought approval for their investment in the proposed projects;

(b) how many of them have been sanctioned during the last two years;

(c) whether Government have sanctioned or are likely to give further sanctions for such projects with or without clear consideration for total needs of cars in the country of the foreign invstments; and

(d) if so, the facts and details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SMT. KRISHNA SAHI): (a) and (b) The names and details of the foreign automobile/car manufacturers who have been granted approvals during the last 2 years for setting up of joint ventures for manufacture of cars in India are is under:

Indian company	Foreign financial partner
1. TELCO . .	Deimler Benz, Germany.
2. Premier . .	Peugeot, France.
3. DCM. . .	Daewoo, Korea.
4. Hindustan Motors	General Motors, USA.
5. Sipani . .	Rover Group, U.K.

No other such proposal is pending consideration of Goevrnment, at present.

(c) and (d) Proposals for foreign investment for manufacture of cars are considered on merit. Manufacture of cars is presently delicensed and as such there is no ceiling on capacity.

Hinderance in the growth of machine tool sector

684. DR. SANJAYA SINH: Will the PRIME MINISTER be pleased to state:

(a) whether Government's attention has been drawn to the news-item published in the Economic Times dated the 18th January, 1995 under the heading 'Government apathy hampering machine tool sector's growth";

(b) if so the details thereof and the reaction of Government thereto;

(c) whether it is a fact that tedious formalities for import licences and bureaucratic obstacles have really hindered the growth prospects of the country; and

(d) if so, the steps taken by Government during the last two years to remove those obstacles and with what results?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SMT. KRISHNA SAHI): (a) to (d) The growth and development of machine tool industry in India has not been affected due to tedious formalities for import licences and bureaucratic obstacles. Since the announcement of New Industrial Policy in July, 1991 and the Export and Import Policy 1992-97, several policy initiatives have been taken to provide impetus for its growth such as complete de-licensing of Machine Tool industry with freedom to set up units at permissible location; automatic foreign collaboration approval within prescribed parameters; import of raw materials, components and capital goods without any restriction except for a short list of items in the Negative List of Imports; reduction in import duty import of CG under Project Import Concession (Duty 25 per cent); MODVAT benefit on Capital Goods; import of CG at 15 per cent duty under EPCG Scheme.